



INSIGHTS

107th Congress

July 22, 2002

*Also available on the FEMP Home Page at
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INSIGHTS is prepared expressly for the Department of Energy's Office of Federal Energy Management Programs (FEMP). The purpose of ***INSIGHTS*** is to provide FEMP management staff with timely information on legislative activities relevant to the program. ***INSIGHTS*** is prepared for FEMP by Energetics, Incorporated, (202) 479-2748.

I. WEEKLY SUMMARY

HOUSE

No activity of interest has been scheduled or announced by the House.

SENATE

The Senate will be marking the following FY 2003 appropriations bills at both the subcommittee and full committee levels this week including:

- Agriculture, Rural Development, Food and Drug Administration, and Related Agencies
- Energy and Water Development
- Transportation and Related Agencies
- Veterans' Administration, Housing and Urban Development, and Independent Agencies

The Committee on Energy and Natural Resources will be conducting a hearing on electricity restructuring.

CONFERENCE COMMITTEES/VOTES

FY 2002 Emergency Supplemental Appropriations Last week, the conference committee approved a \$28.9 billion supplemental appropriations bill to support homeland defense and related activities including security of Federal facilities. Tasks associated with Federal facility security issues include enhancing the physical properties of Federal facilities along with additional security staff. Both the House and Senate are expected to take up the conference report this week.

Comprehensive Energy Legislation House and Senate conferees may resume work on *H.R. 4* before Congress adjourns for its August recess. The committee will focus on controversial issues before moving on to the most contentious issues such as electricity restructuring, renewable portfolio standards, ethanol, Corporate Average Fuel Economy Standards, and the Arctic National Wildlife Refuge.

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II. COMMITTEE ACTIVITY

HOUSE

FY 2003 Appropriations for Interior and Related Agencies The House passed the \$19.73 billion bill, *H.R. 5093*, on July 17. The Senate version has cleared the full committee and is pending full Senate consideration. To view the energy-related provisions of the bill, refer to <http://www.eren.doe.gov/femp/resources/initiatives.html>.

Highlights from the committee's remarks in *H. Rpt. 107-564* regarding "Energy Research – Responding to the National Energy Policy" are provided below.

Last year the Committee wholeheartedly welcomed the Administration's National Energy Policy. The Committee was disappointed that the budget request for fiscal year 2003 for energy programs did not more fully embrace research in many critical areas. The Committee agrees that the Department of Energy must do a better job of measuring potential program success and of refocusing or discontinuing programs that are not yielding results. However, the Committee also believes that new programs must continue to be explored and promising research need to be expanded if we are to achieve the goals of energy independence, dramatically lower energy consumption, and significantly reduced emissions of harmful pollutants from energy production and use.

The Committee's recommendations are responsive to those goals and to the underlying National Energy Policy...recommendations include \$1.9 billion for energy programs in the Interior bill, an increase of \$126 million above last year and \$175 million above the budget request... recommendations reflect a balanced approach to handling both the supply and demand sides of the energy issue...there is a balance between research on technologies for traditional and alternative fuels. We need both traditional fuels and alternative fuels and we need to find ways to use all fuels and technologies more efficiently and more cleanly.

The Committee also has recommended restoring most of the reductions proposed in the budget request for energy conservation research and for research to improve fossil energy technologies. We need to do all these things if we are to have a balanced and rational national energy strategy.

Much of the funding in the Interior bill is intended to provide seed money for new ideas. Once those ideas result in new technology and are adopted by industry, the Federal role is completed... The Federal role is an important one but it should not extend beyond basic and applied research. The Committee, in its recommendations, has attempted to maintain diversity of energy research and not cross the line into marketing.

DEPARTMENT OF ENERGY

Energy Conservation Programs - \$984,653,000

Federal Energy Management Programs - \$24,880,000

Building Technology, State and Community Sector - \$402,293,000

Industry Sector - \$159,859,000

Power Technologies/Distributed Generation Technologies - \$79,704,000

Transportation Sector - \$273,864,000

Other Department of Energy Programs

Northeast Home Heating Oil Reserve - \$8,000,000

Energy Information Administration - \$80,611,000

DEPARTMENT OF INTERIOR PROGRAMS

National Park Service - \$335,186,000 for construction

U. S. Fish and Wildlife Service - \$51,308,000 for construction

Smithsonian - \$10,000,000 for Construction

National Gallery of Art - \$16,230,000 for the repair, restoration and renovation of buildings

John F. Kennedy Center for Performing Arts - \$17,600,000 for construction

DEPARTMENT OF AGRICULTURE

U.S. Forest Service - \$203,671,000 for facilities maintenance and capital improvements

Natural Resources on Federal Lands On July 15, the Subcommittee on Energy and Minerals (Committee on Resources) held a hearing to examine the pending natural gas crisis and to discuss options for meeting escalating increases in demand for natural gas. Testimony was received from representatives of the Department of the Interior and industry. Citing recent research data that projects a natural gas production decline of nearly seven percent per year coupled with a 60 percent projected increase in demand by 2020, Representative Barbara Cubin (R) advocated the development of natural gas resources on Federal lands. She said “We are currently on a dangerous collision course. If future natural gas supplies cannot meet demand, the consequences could be devastating for our economy. We need to enact a policy that reverses this trend and allows increased environmentally responsible natural gas development on federal lands.”

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SENATE

FY 2003 Appropriations for Military Construction The \$10.622 billion bill, S. 2709 (*H. Rpt. 107–202*), was marked up by the Committee on Appropriations on July 18; key provisions of interest are provided below.

MILITARY CONSTRUCTION

Barracks Construction - \$1.157 billion to modernize 46 barracks projects

Child Development Centers - \$10.7 million to construct two centers

Army - \$1,679.212 billion (includes \$136.835 million for planning, design, architect and engineering services and host nation support)

Navy - \$ 1,216.643 billion (includes \$91.620 million for planning, design, architect and engineering services)

Air Force - \$1,175.617 billion (includes \$87.555 million for planning, design, architect and engineering services)

Defense-Wide - \$927.242 million billion (includes \$57.789 million for planning, design, architect and engineering services)

Energy Conservation Investment Program - \$49.531 million

Army National Guard - \$208.482 million

Air National Guard - \$217.988 million

Army Reserve - \$66.487 million

Air Force Reserve - \$58.209 million

FAMILY HOUSING CONSTRUCTION – INCLUDES RECISSION (Does not include Operation and Maintenance)

Army - \$282.856 million

Navy and Marine Corps - \$374.468 million

Air Force - \$676.694 million

Defense-Wide – \$5.480 million

FY 2003 Appropriations for Defense The Committee on Appropriations also marked up this \$355.4 billion bill (*S. Rpt. 107-213*) on July 18. The Senate bill does not include any specific language regarding construction. The bill reduces the House request for utility privatization by \$9 million; however, neither bill specifies the amount recommended by the House Committee on Appropriations.

FY 2003 Appropriations for Commerce, Justice, State, and the Judiciary The Committee on Appropriations approved this \$43.475 billion unnumbered bill on July 18 with only limited details available (the bill is not yet available in print). Provisions of interest include the following:

DEPARTMENT OF COMMERCE

National Institutes of Standards and Technology - \$63.8 million for construction of research facilities

DEPARTMENT OF THE JUDICIARY

Supreme Court - \$49.7 million to complete renovations of the facility

DEPARTMENT OF JUSTICE

Immigration and Naturalization Service - \$265 million for the planning, design, and construction of Border Patrol and Inspection facilities

Federal Prison System – provides an increase of \$105 million over the President's request for buildings and facilities

DEPARTMENT OF STATE

Embassy Security Construction and Maintenance - \$1.3 billion

FY 2003 Appropriations for Treasury, Postal Service, and General Government The Committee on Appropriations completed its mark up of S. 2740 on July 16. Key provisions of interest include the following:

DEPARTMENT OF THE TREASURY

Treasury Building and Annex - \$32.932 million for repair and restoration

Federal law Enforcement and Training Center – adds \$15.6 million to finance five construction projects at the Glynco, Georgia, and Artesia, New Mexico centers

U.S. Secret Service - \$3.519 million for construction, repair, alteration, and improvement of facilities

GENERAL SERVICES ADMINISTRATION – FEDERAL BUILDINGS FUND

New Construction Projects - \$653.913 million

Repairs and Alterations - \$995.589 million (includes \$8 million for energy projects)

Courthouse Construction - supports development of a single comprehensive plan upon which courthouse construction will be based

Rental of Space - \$4,132.211 billion

Building Operations - \$1,971.030 billion (includes payments for utilities and fuel)

FY 2003 Appropriations for Labor, Health and Human Services, Education, and Related Agencies The full committee approved this bill on July 19. Details are pending (the bill is not yet available in print).

Comprehensive Energy Legislation Jeff Bingaman, Chairman of the Committee on Energy and Natural Resources, recently met with energy officials from the Wall Street financial community. In his remarks, he advocated a competitive, market-driven energy market. “In the electricity sector, I believe that means a sector that is stable, competitive, market-driven and predictable. That is the real goal of my electricity provisions – to make the road to a robust sector more predictable for everyone – investors and consumers alike.” He said the Federal Energy Regulatory Commission should consider three key factors in approving market-based rates:

- Market Power
- Nature of the market and its response mechanisms
- Reserve margins

Chairman Bingaman also pointed out that a robust electricity sector requires a reliable energy supply and an increased role for renewable energy sources.

Homeland Security On behalf of the Committee on Environment and Public Works, Chairman Jim Jeffords (I/VT) and Ranking Member Bob Smith (R/NH) sent a letter to the Committee on Governmental Affairs outlining the committee’s position on several provisions in pending legislation to establish a Department of Homeland Security. In part, the letter responds to a provision that allows for the transfer of management of occupied space from the General Services Administration (GSA) to the new

Department. The committee believes that this transfer could impede GSA's ability to maintain existing Federal properties and to continue projects such as new construction or property acquisition. Committee on Environment and Public Works recommendations include the following measures:

- GSA should retain management responsibilities over properties currently in its inventory. The proposed Department of Homeland Security should make payments to the Federal Buildings Fund in a manner consistent with the current practices of the consolidated agencies.
- GSA should construct or lease space for the headquarters of the proposed Department of Homeland Security.

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III. FY 2003 APPROPRIATIONS CHART

(In Billions)

HOUSE

SENATE

Jurisdiction/ FY 2003 Budget Request	302(b) Allocations / Approved Funding Level	Bill No.	Full Cmte.	Floor	Conf.	302(b) Allocations /Approved Funding Level	Bill No.	Full Cmte.	Floor	Conf.
Agriculture \$17.051	\$ 17.601	-	7/11			\$ 17.980	-	7/24	Week of 7/22	
Commerce \$ 40.333	\$ 40.726	-	7/18			\$ 43.475	-	7/18	Week of 7/22	
Defense \$356.598	\$354.7	HR 5010	6/24	6/27		\$ 355.1	-	7/18		
Energy and Water Development \$251.149	\$ 26.027	-				\$ 26.300	-	7/24		
Interior \$18.953	\$ 19.8	HR 5093	7/9	7/17		\$ 19.35	S. 2708	6/27	Week of 7/22	
Labor / HHS \$129.902	\$129.902					\$133.988	-	7/19		
Military Construction \$ 9.541	\$ 10.083	HR 5011	6/24	6/27		\$ 10.622	S 2709	7/18		
Transportation \$ 19.851	\$ 19.411	-				\$ 21.1	-	7/24		
Treasury \$ 17.960	\$ 18.501	HR 5120	7/9			\$ 18.501	S 2740	7/16		
VA/HUD \$ 92.518	\$ 91.841	-				\$ 91.434	-	7/24	Week of 7/24	
Total 302(b) Allocations/ FY 2003 Budget Request \$748.141										

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IV. NEW LEGISLATION

(Note: Once a new bill is introduced, the Government Printing Office generally requires from several days to one week to make the bill available in print)

HOUSE

There are no new bills of interest to report.

SENATE

There are no new bills of interest to report.

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V. ADMINISTRATION INITIATIVES

[President's Weekly Radio Address](#) On Saturday, July 20, the President's message urged Congress to act on several pending initiatives to ensure domestic economic prosperity and security. His remarks included the following statements:

As Congress approaches the August recess, it must take decisive steps to provide economic security to the American people, to demand high ethical standards from corporate leaders, to promote economic growth and job creation, and to curb its appetite for excessive spending.

...we must promote economic security by enforcing fiscal restraint. Congress must control its enormous appetite for excessive spending so we can meet our national priorities and return to a budget surplus without undermining our economy. Unless Congress controls its spending, we will face a decade of deficits. I will insist on and, necessary, I will enforce discipline in federal spending.

This is a crucial moment for the American economy. The economic fundamentals are strong. Inflation and interest rates are low. Productivity is increasing and the economy is expanding, which creates more jobs. While the economy is growing stronger, confidence in our free enterprise system is being tested.

As we face these economic challenges, my administration will do everything in its power to ensure business integrity and long-term growth. We must act quickly and aggressively on a variety of fronts to increase the economic security of the American people, and I ask the Congress to join me in this urgent task.

To view the entire text, visit <http://www.whitehouse.gov/news/releases/2002/07/20020720.html>

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VI. HEARINGS SCHEDULE

HOUSE – COMMITTEE ON APPROPRIATIONS

There are no hearings of interest to report.

HOUSE – AUTHORIZATIONS/OVERSIGHT

There are no hearings of interest to report.

SENATE – COMMITTEE ON APPROPRIATIONS

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>July 22 – Subcommittee on Energy and Water Development</i>	Harry Reid (D/NV)	<i>Mark Up – FY 2003 Appropriations for Energy and Water Development</i>	N/A	12:00 p.m. Room 128 Capitol
<i>(NEW)</i>				
<i>July 23 – Subcommittee on VA, HUD, and Independent Agencies</i>	Barbara Mikulski (D/MD)	<i>Mark Up – FY 2003 Appropriations for the Veterans' Affairs, Housing and Urban Development, and Independent Agencies</i>	N/A	2:30 p.m. Room 138 Dirksen Office Building
<i>(NEW)</i>				
<i>July 23 – Subcommittee on Transportation and Related Agencies</i>	Patty Murray (D/WA)	<i>Mark Up – FY 2003 Appropriations for the Transportation and Related Agencies</i>	N/A	4:00 p.m. Room 124 Dirksen Office Building
<i>(NEW)</i>				
<i>July 23 – Subcommittee on Agriculture, Rural Development, and Related Agencies</i>	Herb Kohl (D/WI)	<i>Mark Up – FY 2003 Appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies</i>	N/A	5:00 p.m. Room 192 Dirksen Office Building
<i>(NEW)</i>				
<i>July 24 – Committee on Appropriations</i>	Robert Byrd (D/WV)	<i>Mark Up – FY 2003 Transportation and Related Agencies</i>	N/A	2:00 p.m. Room 128 Capitol Building

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>(NEW)</i>		<i>Veterans' Affairs, Housing and Urban Development, and Independent Agencies</i>		
		<i>Agriculture, Rural Development, Food and Drug Administration, and Related Agencies</i>		

SENATE – AUTHORIZATIONS/OVERSIGHT

Date/Committee	Chair	Hearing Title/Issues	Witnesses	Time/Location
<i>July 24</i> – Committee on Energy and Natural Resources	Jeff Bingaman (D/NM)	<i>Hearing</i> – Examine issues related to development of electricity infrastructure	TBA	3:00 p.m. Room 366 Dirksen Office Building
<i>(NEW)</i>				

CONFERENCE COMMITTEE NEGOTIATIONS/FLOOR VOTES

FY 2002 Emergency Supplemental Appropriations The House and Senate may vote on this bill this week.

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